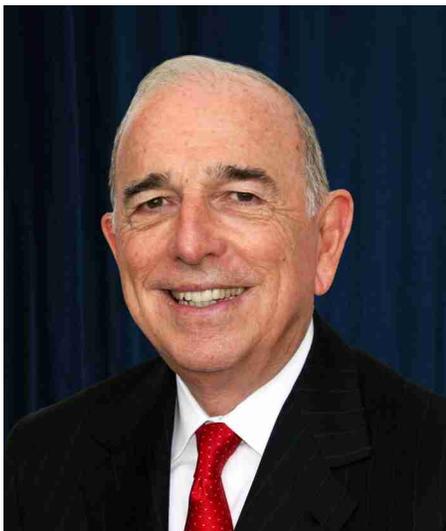


**No Longer Just Renting Self-Storage Units, with a New Trademark Protected Name and a New Service Offering Business Model, CubeSmart is Now Able to Better Serve the Needs of its Customers and Grow its Footprint**

**Financial  
REIT-Industrial  
Self Storage and Related Services  
(CUBE-NYSE)**

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**Dean Jernigan  
Chief Executive Officer**

**BIO:**

Dean Jernigan has been Chief Executive Officer of the Company since April 2006 and also has served as a member of our Board of Trustees since that time. From 2004 to April 2006, Mr. Jernigan served as President of Jernigan Property Group, LLC, a Memphis-based company that formerly owned and operated self-storage facilities in the United States. From 1984 to 2002, he was Chairman of the Board and Chief Executive Officer of Storage USA, Inc., which was

a publicly-traded self-storage REIT, from 1994 to 2002. Mr. Jernigan served as a member of the National Association of Real Estate Investment Trusts' Board of Governors from 1995 to 2002, and as a member of its Executive Committee from 1998 to 2002. Mr. Jernigan currently serves on the board of Thomas & Betts, Inc., a publicly-traded electrical components and equipment company.

**Company Profile:**

CubeSmart, formerly U-Store-It Trust, is a self-administered and self-managed real estate investment trust focused on the ownership, operation, acquisition, development and management of self-storage facilities in the U.S. CubeSmart is reinventing the way people think about storage by adding more personalized services and technology to some of the best storage spaces around. With CubeSmart, customers can expect more services including logistics services, comprehensive moving services, organizational services, storage customization, and additional office amenities. CubeSmart has even introduced SmartTrakr, the industry's first-ever mobile app for keeping track of everything people store.

CubeSmart's services include storage customization, logistics services, comprehensive moving services, organizational services, and office amenities. CubeSmart's self-storage facilities are designed to offer affordable, easily accessible, secure, and in most locations, climate-controlled storage space for residential and commercial customers, as well as boat storage and mini storage.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFOinterviews.com**

**CEOCFO:** Mr. Jernigan, would you tell us about the recent name change to CubeSmart?

**Mr. Jernigan:** We changed our name to CubeSmart for mainly two reasons. The first one is a technical reason in that we did not own a federal trademark registration on U-Store-It. This company was formed as a small start-up in the late 1970's and it was named U•Store•It to clearly identify that it was in, the business of self-storage. However, the name was so descriptive and so similar to other storage companies that the prior management was unable to obtain protection at the national level with the U.S. Patent and Trademark Office or even, in some instances, at the state level. The company operated as U-Store-It for several years and went public in 2004. When I joined the company in 2006 I realized that we were losing customers to our competitors due to name confusion. The second reason is that our business has changed. Previous to the last two or three years we were in the business of providing passive storage to people for their household goods and to small businesses for their extra inventory. The old U•Store•It name really reflected that business model. The attitude was "there is your unit, do not do anything illegal in there, and everything else is up to you. Over the past two years we have revised our approach. Of course we still offer passive storage; but now we also provide many other solutions to our customers – especially our business customers and those customers who are in tran-

sition. Just look at our website today and see that we actively strive to meet the needs of our customers.

**CEOCFO:** What are some of the services that CubeSmart is offering its customers in your new business model?

**Mr. Jernigan:** About half of our customers are in transition, so we help them with several moving options. For example, if a customer is moving across town, we present them with several solutions. In some of our locations, we have small moving trucks that we will loan to our customers. But if they require a larger truck or if they are traveling beyond the immediate area, we have a relationship with Penske Truck Rental. We also have a great relationship with a national moving company called Two Men and Truck. They not only provide the truck, but they also provide the labor to help a consumer who is moving locally. Finally, we have a new relationship with an international moving firm called Bekins. They will move you across state, across the country or around the world. For 50% of our customers we provide the expertise, the connections, the introductions, and, in some cases, we even provide the trucks.

**CEOCFO:** Are people in the process of moving your first contact?

**Mr. Jernigan:** Yes, that is the first in transition. However, we have many customers who are not moving. They may need additional space for all kinds of reasons such as marriage, families getting larger, or families downsizing their homes. All of those life events are reasons people may need our services. That is a big part of our business.

**CEOCFO:** How long has CubeSmart been providing these additional services and do most people know that you provide these services or are you still getting the word out?

**Mr. Jernigan:** We are making our customers more and more aware on a daily basis. We have been providing loaner trucks for a couple of years now. We have had our relationship

with Penske and Two Men and a Truck for a couple of years as well, but it is still a pleasant surprise to our customers when they find out we can help them throughout the moving process. You see it on our website, you hear it from our managers when you visit our stores, and you certainly hear it when you call our national sales center. From time to time I will listen to some calls and it is always a pleasant surprise for our customers. I'll hear them say, "oh you can do that? That is wonderful because that was the next thing on my list."

**CEOCFO:** What is CubeSmart offering to business customers?

**Mr. Jernigan:** We have become a wonderful solution in this tough economy for many small and larger commercial customers. Some of our customers have had to downsize. Others are growing and looking for ways to expand without taking on additional

**Our business is changing and those who want to be successful and thrive going forward need to change with it. We are now the breakout brand in the sector with these services and are a good buy today. I would encourage people to look very carefully at our stock.**

**- Dean Jernigan**

warehouse, office, or storefront space. So they have found our product to be a cost-effective solution. About 20% of our storage space is rented by commercial customers, but they rent larger units, so they rent about 30% of our space. This is a very important customer segment, so we now offer additional services to save them money, to make their business plan work more efficiently, and to just give them more hours in a day to get their job done.

For example, a commercial customer is in the business of selling widgets and she stores them with us. She's a one-person business. Most of the time she's in one place, but her widgets are across town in the other direction. She can call or email us exactly what she needs and, with the proper paperwork (an Authorization and Release) and access to her unit, we will go into her unit and pick out that widget, work with our courier service provider, and have that widget delivered

to the destination of her choice. We have relationships with other large companies too, like Ebay, for when you want to sell something that is stored in your unit. We have packing and shipping stations now in all of our Superstores, where we will do the packing for you and we will ship the package for you through UPS. We can receive items and place them into a customer's storage space as well as pull items, from a storage space, pack them and ship them. In short, we can provide a seamless logistics solution for our customers.

**CEOCFO:** Are your competitors offering similar types of service or is this something that is unique with CubeSmart?

**Mr. Jernigan:** We are the first to put all of these services into a package for our Customers. There may be a few smaller storage companies that are providing some shipping services, but this isn't offered by any of the other three large public companies. We are no longer in the business of just offering passive storage space. Our most common space size is a 10' X 10' X 10', which is of course a cube. While our competitors still rent square footage, we rent cubic feet. Because the height of our space is important to our customers, we wanted to incorporate it into our new name. That's how the word cube became very important to us. The name evolved very quickly. We are being smart for our customers by providing personal services, and that's how we came up with CubeSmart.

**CEOCFO:** How are you letting people know what CubeSmart has to offer?

**Mr. Jernigan:** Sixty percent of our customers visit our website before renting from us. So our website is the best form of communication to our prospective customers. Three years ago, we spent 80% of our market budget on Yellow Page advertising. This year, that has diminished to less than 5% of our marketing budget. That spend has shifted to search engine marketing and search engine optimization. Our website is how we are recognized.

We also have a national sales center with about fifty folks in the Philadelphia area. Our sales center is the second most prominent method of making the sales pitch to let people know about the great services we now offer.

**CEO CFO:** CubeSmart is keeping up with the changes brought about by the internet!

**Mr. Jernigan:** That's true. For example, we developed a mobile app, which is called SmartTrakr. You can download it from the Apple App Store. Through SmartTrakr you can keep an inventory of everything you have in your storage Cube. For example, a customer in New York is having a dinner party Saturday night. It's Saturday afternoon. She realizes that she needs something and by using the SmartTrakr application on her iPhone, she finds it in her storage cube. She can simply go in to her inventory, pull out a picture of the item, and email it to our facility with delivery directions. Within a couple of hours our delivery service will have it to mid-town in time for her dinner party.

**CEO CFO:** How do you know what services are needed?

**Mr. Jernigan:** We conduct surveys all the time. Ninety percent of the U.S. population would like to be better organized, and that is what we are doing for people. We are helping them to really take control of their life and to become better organized. We are in about 30 states and have approximately 30 million square feet, or staying with the theme about 300 million cubic feet of space that we are renting to our customers in almost 500 locations.

**CEO CFO:** How does CubeSmart make the decision on which states to focus?

**Mr. Jernigan:** We like to own properties in areas with a good concentration of people who move around a fair amount and have good household incomes such as Washington D.C. or New York City. We like to be in markets where people move more regularly.

**CEO CFO:** Would you tell us about

the industry in general; whether there is a trend towards consolidation, and where you stand on taking advantage of that?

**Mr. Jernigan:** Absolutely! It is a very fragmented industry, with about 50,000 storage facilities around the United States. The four public companies only own about 9% of those 50,000 storage facilities. It has historically been an entrepreneurial business. They would build a storage facility in their local town and enjoy the benefits for a few years. They would then wait for an interested aggregator, like us, to come along to purchase their property. In the last couple of years we have invested about \$350 million in buying new assets. I have been in the business 27 years and we never really had a true industry consolidation, because in the past large companies were not buying as quickly as the smaller companies were building. However, since 2008, new construction has virtually come to a standstill and the larger companies, who do have access to capital, are consolidating the sector. For the first time ever, we have true consolidation and that is really exciting for us, as the management team of a company who has good access to capital, and to our shareholders.

**CEO CFO:** What about security?

**Mr. Jernigan:** Security has been an overblown concern. This goes back forty years when people were first starting the business. They sold security because self-storage was a new product. Everybody was concerned about not having direct access to their stuff. Today, we have fences around our facilities, mechanized gates, closed circuit TV cameras and steel doors. With these innovations, customer concerns have dissipated.

**CEO CFO:** What is the financial picture like for CubeSmart today?

**Mr. Jernigan:** It is excellent! We are very profitable. We are an investment-grade rated company by Moody's. We have a terrific balance sheet. We are growing. We have good access to capital through the public marketplace. To be specific, we have looked at our company and compared present day earnings to pre-recession (prior to 2008) and in

the best part of this year our revenue returned to pre-recession levels. Plus, we have good year-over-year growth. 2009 was our only one year we were down in revenue, but by only 3%. The other three public companies were also down about three percent during this period. That speaks volumes to something I have been saying for twenty plus years now - we are a recession resistant business. This great recession proved that to everyone. That shows we are a good investment for people concerned about the economy.

**CEO CFO:** Do you do much investor outreach?

**Mr. Jernigan:** We just had an analyst day yesterday with ten of our investors in the Philadelphia area. We reviewed and toured one of our Superstores, and illustrated the new service innovations we discussed earlier. It went over exceptionally well. In fact, there is already one note out from an analysts saying they get the new brand, they get the new services and they are excited about what we are offering to our customers.

**CEO CFO:** In closing, why should potential investors pay attention to CubeSmart today?

**Mr. Jernigan:** Why CubeSmart? We are taking the lead with additional services. As a result of the great recession in 2008-2009, in 2010 we asked our customers, "We know your business plan is changing, what more can we do for you to make your life easier and make you more profitable?" They told us what to do and we listened. So why should someone buy CubeSmart stock today, verses one of the other public competitors? Because, unlike our competitors, we are out there really changing our business. I recently made a keynote address at our industry's annual conference and that was the theme. Our business is changing and those who want to be successful and thrive going forward need to change with it. We are now the breakout brand in the sector with these services and are a good buy today. I would encourage people to look very carefully at our stock.



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